



**Los Angeles County
Board of Supervisors**

November 20, 2012

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO THREE
DIAGNOSTIC AND THERAPEUTIC AGREEMENTS
(5th SUPERVISORIAL DISTRICT)
(3 VOTES)**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina Ghaly, M.D.
Deputy Director, Strategic Planning

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213)240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

SUBJECT

Request approval of amendments to extend the terms of three diagnostic and therapeutic service Agreements with various contractors for the High Desert Multi-Service Ambulatory Care Center and Olive View-UCLA Medical Center.

*To ensure access to high-quality,
patient-centered, cost-effective health
care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.*

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 11 to Agreement No. H-210777 with Lancaster Cardiology Medical Group (Lancaster), Amendment No. 12 to Agreement No. H-210778 with Valley Tumor Radiation Medical Group (Valley Tumor), and Amendment No. 12 to Agreement No. H-210779 with RadNet Management, Inc. (RadNet), all effective upon Board approval, to extend the term of each Agreement for the period of January 1, 2013 through June 30, 2013, at the same rates of payment, for the continued provision of diagnostic, therapeutic and nuclear medicine services for patients served by High Desert Multi-Service Ambulatory Care Center (HD MACC) and Olive View-UCLA Medical Center (OV-UCLA MC). The contract sum for each Agreement will be increased during the extended term by \$105,000 for Lancaster, \$141,500 for



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Valley Tumor, and \$180,000 for RadNet.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the requested recommendation will allow the Director, or his designee, to execute three Amendments, substantially similar to Exhibits I, II, and III, to extend the term of each Agreement for six months to provide uninterrupted diagnostic and therapeutic services for patients served by HD MACC and OV-UCLA MC. The current Agreements are slated to expire on December 31, 2012 and additional time is needed to complete the competitive solicitations for successor agreements.

On March 15, 2010, DHS released a Request for Information (RFI) to identify qualified and interested agencies, in addition to the current Contractors, who might provide these services. The responses were due on April 12, 2010. As a result of the number of responses received, the release of separate Requests for Proposal (RFP) for nuclear medicine, cardiology imaging and radiation therapy oncology services were considered. However, due to the increase in patient volume, the Department determined that a Request for Statement of Qualifications (RFSQ) solicitation for a Master Agreement was the best approach to establish a pool of qualified contractors to provide these critical contract services. Delays were experienced with the finalization of the RFSQ due to the need to ensure that the procedure codes and the reimbursement rates are accurate for the services provided and also update the codes and rates that were effective January 1, 2012.

The Department reviewed the feasibility of expanding the RFSQ to include a Countywide solicitation process for radiation therapy services. However, this approach would have required significant revisions to the Statement of Work, therefore the decision was made to move forward with the RFSQ for the facilities of HD MACC and OV-UCLA MC initially, with plans to draft a Countywide solicitation specifically for radiation therapy services in the Spring of 2013.

The Department released a RFSQ on October 8, 2012 and the extension of the current Agreement terms is necessary to allow the time to complete the evaluation of the Statement of Qualifications (SOQ) and recommend qualified contractors for successor contracts to the Board for new multi-year Master Agreements for nuclear medicine, cardiology testing/imaging, radiation therapy oncology and other diagnostic/therapeutic services.

The range of services provided by the current Contractors includes cardiology imaging and testing; nuclear medicine, radiology services, radiation therapy oncology and various diagnostic and therapeutic services for County-registered patients at Antelope Valley Hospital (AVH) and patient referrals from OV-UCLA MC. All three Contractors agreed to maintain the same rates of payment during the recommended extension period.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum contract sum for each Agreement for diagnostic and therapeutic services for the period January 1, 2013 through June 30, 2013 is \$105,000 for Lancaster, an increase to \$1,312,500; \$141,500 for Valley Tumor, that includes the projected costs of \$125,000 for HD MACC and \$16,500 for OV-UCLA MC, an increase to \$1,300,250 and \$180,000 for RadNet, an increase to \$2,047,500. The projected costs for RadNet and Lancaster are associated with HD MACC only.

The contract term extensions bring the final total maximum contract sum for all three Agreements to \$4,660,250 for the entire term of the Agreements. Attachment A provides a detailed breakdown of the costs.

Funding is included in the FY 2012-13 Final Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The current Contractors have been providing diagnostic and therapeutic services on a specialized basis as follows;

- Valley Tumor provides radiation therapy for oncology patients and invoices by individual patient with each invoice generally includes multiple dates of service for the same patient. The procedures include intensity modulated radiotherapy plans (IMRT), treatment delivery sessions, and 3-D treatment plans.
- Lancaster Cardiology provides cardiac testing and other radiology tests.
- RadNet provides MRI services, nuclear medicine, and also provides as-needed back-up for overflow for other radiology modalities like mammography, computed tomography (CT), fluoroscopy and ultrasound.

It has been determined that the Agreements are exempt from Proposition A contracting guidelines due to a lack of County staff to adequately perform the diagnostic and therapeutic services and the difficulty in recruiting and retaining qualified personnel to perform diagnostic and therapeutic services in the Antelope Valley (AV) for the period of time the services are needed.

The termination provisions of each Agreement allow for termination with or without cause with a 30-day advance written notice by either party.

All of the Board mandated provisions are included in the Agreements.

County Counsel has approved Exhibits I, II, and III as to form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended actions will ensure the continued provision of critically needed diagnostic and therapeutic patient services at HD MACC and OV-UCLA MC.

The Honorable Board of Supervisors

11/20/2012

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:ms

Enclosures

c: Chief Executive Office
County Counsel
Executive Officer, Board of Supervisors

DIAGNOSTIC AND THERAPEUTIC AGREEMENTS

SUMMARY OF FISCAL IMPACT/FINANCING

<u>Contractor</u>	<u>Current Maximum 04/01/07 to 12/31/12</u>	<u>Increase for Amendments 01/01/13 to 06/30/13</u>	<u>Total Contract Maximum 04/01/07 to 06/30/13</u>
Lancaster	\$1,207,500	\$105,000	\$1,312,500
Valley Tumor	\$1,158,750	\$141,500*	\$1,300,250
RadNet	\$1,867,500	\$180,000	\$2,047,500
Total	\$4,233,750	\$426,500	\$4,660,250

*The projection includes an estimated contract cost of \$125,000 for HD MACC and \$16,500 for OV-UCLA MC. The projected costs for RadNet and Lancaster are associated with HD MACC only.

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

Amendment No. 11

THIS AMENDMENT is made and entered into this _____ day
of _____, 2013,

by and between COUNTY OF LOS ANGELES (hereafter
"County")

and LANCASTER CARDIOLOGY MEDICAL
GROUP
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT", dated March 30, 1999, and further identified as County Agreement No. H-210777, and any Amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to extend the term of the Agreement; and

WHEREAS, the Agreement provides that changes may be made in the form of a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective on January 1, 2013.
2. Paragraph 1, TERM AND TERMINATION, of Agreement shall be amended to read as follows:

"1. TERM AND TERMINATION: The term of this Agreement shall commence on the date of Board approval and shall continue in full force and effect to and including the period, January 1, 2013 through June 30, 2013, unless terminated sooner pursuant to the terms of this Agreement.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County or the Contractor, with or without cause, upon the

giving of at least thirty (30) calendar days advance written notice thereof to the other.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry out any directions within a reasonable time, by or on behalf of County issued pursuant to this Agreement.

County may also terminate this Agreement immediately if County has reasonable justification to believe that its physician affiliates or its principals, may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of such "Notice of Immediate Termination", or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time."

3. Paragraph 4, BILLING AND PAYMENT, Subsection A., Contract Sum, and Subsection B., Maximum Obligation of County, of the body of the Agreement shall be amended to read as follows:

"A. Contract Sum: The Contract Sum under this Agreement shall be the total monetary amount payable by the County to Contractor for supplying all the tasks, sub-tasks, deliverables, goods, services and other work requested and specified under this Agreement. All work completed by Contractor must be approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work. The Contract Sum for the period April 1, 2007 through December 31, 2012, including all applicable taxes, authorized by County hereunder shall not exceed One Million, Two Hundred Seven Thousand, Five Hundred Dollars (\$1,207,500).

The Contract Sum for the period January 1, 2013 through June 30, 2013, including all applicable taxes, authorized by County hereunder shall not exceed One Hundred Five Thousand Dollars (\$105,000).

B. Maximum Obligation of County: During the term of this Agreement, effective April 1, 2007 through the period, January 1, 2013 through June 30, 2013, the total maximum obligation of County for Contractor's performance hereunder shall not exceed One Million, Three Hundred Twelve Thousand, Five Hundred Dollars (\$1,312,500)."

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its,

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Director of Health Services, and Contractor have caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

LANCASTER CARDIOLOGY
MEDICAL GROUP

Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:
BY THE OFFICE OF THE COUNTY COUNSEL

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

Amendment No. 12

THIS AMENDMENT is made and entered into this _____ day
of _____, 2013,

by and between COUNTY OF LOS ANGELES (hereafter
"County")

and VALLEY TUMOR RADIATION MEDICAL GROUP
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT", dated March 30, 1999, and further identified as County Agreement No. H-210778, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to extend the term of the Agreement; and

WHEREAS, the Agreement provides that changes may be made in the form of a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective on January 1, 2013.
2. Paragraph 1, TERM AND TERMINATION, of Agreement shall be amended to read as follows:

"1. TERM AND TERMINATION: The term of this Agreement shall commence on the date of Board approval and shall continue in full force and effect to and including the period, January 1, 2013 through June 30, 2013 unless terminated sooner pursuant to the terms of this Agreement.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County or the Contractor, with or without cause, upon the

giving of at least thirty (30) calendar days advance written notice thereof to the other.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry out any directions within a reasonable time, by or on behalf of County issued pursuant to this Agreement.

County may also terminate this Agreement immediately if County has reasonable justification to believe that its physician affiliates or its principals, may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of such "Notice of Immediate Termination", or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time."

3. Paragraph 4, BILLING AND PAYMENT, Subsection A., Contract Sum, and Subsection B., Maximum Obligation of County, of the body of the Agreement shall be amended to read as follows:

"A. Contract Sum: The Contract Sum under this Agreement shall be the total monetary amount payable by the County to Contractor for supplying all the tasks, sub-tasks, deliverables, goods, services and other work requested and specified under this Agreement. All work completed by Contractor must be approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work. The Contract Sum for the period April 1, 2007 through December 31, 2012, including all applicable taxes, authorized by County hereunder shall not exceed One Million, One Hundred Fifty Eight Thousand, Seven Hundred Fifty Dollars (\$1,158,750).

The Contract Sum for the period, January 1, 2013 through June 30, 2013, including all applicable taxes, authorized by County hereunder shall not exceed One Hundred Forty-One Thousand, Five Hundred Dollars (\$141,500).

B. Maximum Obligation of County: During the term of this Agreement, effective April 1, 2007 through the period, January 1, 2013 through June 30, 2013, the maximum obligation of County for Contractor's performance hereunder shall not exceed One Million, Three Hundred Thousand, Two Hundred Fifty Dollars (\$1,300,250)."

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its,

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Director of Health Services, and Contractor have caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

VALLEY TUMOR RADIATION
MEDICAL GROUP _____
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:
BY THE OFFICE OF THE COUNTY COUNSEL

DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT

Amendment No. 12

THIS AMENDMENT is made and entered into this _____ day
of _____, 2013,

by and between COUNTY OF LOS ANGELES (hereafter
"County")

and RADNET MANAGEMENT, INC.
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "DIAGNOSTIC AND THERAPEUTIC SERVICES AGREEMENT", dated March 30, 1999, and further identified as County Agreement No. H-210779, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to extend the term of the Agreement; and

WHEREAS, the Contract provides that changes may be made in the form of a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective on January 1, 2013.
2. Paragraph 1, TERM AND TERMINATION, of Agreement shall be amended to read as follows:

"1. TERM AND TERMINATION: The term of this Agreement shall commence on the date of Board approval, and shall continue in full force and effect to and including the period, January 1, 2013 through June 30, 2013, unless terminated sooner pursuant to the terms of this Agreement.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County or the Contractor, with or without cause, upon the

giving of at least thirty (30) calendar days advance written notice thereof to the other.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry out any directions within a reasonable time, by or on behalf of County issued pursuant to this Agreement.

County may also terminate this Agreement immediately if County has reasonable justification to believe that its physician affiliates or its principals, may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of such "Notice of Immediate Termination", or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time."

3. Paragraph 4, BILLING AND PAYMENT, Subsection A., Contract Sum, and Subsection B., Maximum Obligation of County, of the body of the Agreement shall be amended to read as follows:

"A. Contract Sum: The Contract Sum under this Agreement shall be the total monetary amount payable by the County to Contractor for supplying all the tasks, sub-tasks, deliverables, goods, services and other work requested and specified under this Agreement. All work completed by Contractor must be approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work. The Contract Sum for the period April 1, 2007 through December 31, 2012, including all applicable taxes, authorized by County hereunder shall not exceed One Million, Eight Hundred Sixty Seven Thousand, Five Hundred Dollars (\$1,867,500).

The Contract Sum for the period January 1, 2013 through June 30, 2013, including all applicable taxes, authorized by County hereunder shall not exceed One Hundred Eighty Thousand Dollars (\$180,000).

B. Maximum Obligation of County: During the term of this Agreement, effective April 1, 2007 through the period, January 1, 2013 through June 30, 2013, the total maximum obligation of County for Contractor's performance hereunder shall not exceed Two Million, Forty Seven Thousand, Five Hundred Dollars (\$2,047,500)."

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its,

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Director of Health Services, and Contractor have caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

RADNET MANAGEMENT, INC.
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:
BY THE OFFICE OF THE COUNTY COUNSEL
